App. F. IX-4

1933.

File No. 458-33

Serial Nos. 1-2

Previous References

ஜ.ஏ. 29-23 (9ம14)
" 97-08 (3ம4)
" 81-30 (102)

Later References.

ஜ.ஏ. 90-34 (5-8)
ஜ.ர 189-35 (1-3)
" 184-34 (1-2)
ஜ.F. 74-43 (1-27)

PRESERVED

Preserve

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. (A 13/1)

Part B for August.

SUBJECT.

- Acquisition of H.B. & other advances due to Govt by the deceased loaned from the Insurance Amount

8(2)

To H 1490 & 10-8-34

to the Secy, W.S.A. & Com

WD 01965—GPB—15,000—7-7-34

Informs him that the matter may be approa

Sgn

G.7 458-33-1

M. S. S. I.
O. 20.

MYSORE STATE LIFE INSURANCE OFFICE.

25 AUG. 1933

In reply please quote –
No. ..3.3.21.....
Encl. .....1.....

752
25 AUG. 1933

BANGALORE,
Dated, the 23rd August *1933*.

25

FROM

M. VENKATESA IYENGAR, ESQ., M.A.,
Secretary, Mysore State Life Insurance Committee,
Bangalore.

To

A. N. RAGHAVACHAR, Esq., M.A.,
Officiating Financial Secretary to the Government
of His Highness the Maharaja of Mysore,
BANGALORE.

SIR,

I have the honour to state that under Rule 23 of the Official Branch, in the case of an Insured who, at the time of maturity of his policy by death, owes to Government money by way of House Building or other Advances taken by him, the present procedure is that interest is made payable on such advances up-to-date of the adjustment of the assurance amount.

In a number of un-nominated and some other cases, long delay in the payment of the assurance amount occurs for production of a Succession or other certificate or other causes and it has been often complained as a hardship that interest on the advances borrowed by deceased Insured is recovered while the assurance amount due to him is outstanding with the Government and earns interest for the fund.

It may, however, be possible to adjust the House Building or other Advances due to Government by deceased Insured from the assurance due on his policies, immediately after his death is reported. The amount would eventually have to come out of the assurance and earlier adjustment would save the heir interest on the advances which would otherwise be charged.

With a view to give relief to the heirs of the deceased Insured, the Insurance Committee passed a resolution in their meeting held on 29th July 1933 that House Building and other Advances due fr the deceased Insured be adjusted out of the amount of the assurance immediately

immediately after death is definitely reported to the Insurance Offi
A copy of resolution referred to is herewith forwarded for reference

In the circumstances, I have the honour to request that sanctio
of Government may kindly be obtained for giving effect to the resolu
tion.

I have the honour to be,

Sir,

Your most obedient servant,

G Krishnaiah Rao
For Secretary,
Insurance Committee.

HN 23/8/33

1) Subd: with a draft. letter.

2) Whether recovery of H.B. & M.C. advances can be effected
act of the Insurance Bonus is a point on which legal
opinion is necessary.

3) If approved, this will be obtained before
further action is taken on the resolutions.

4) Subd to Hl: Secy

5) Yes.

Law Deptt)

b) opinion on this question has
been given on one or two previous
occasions. They may kindly be put up for
reference. Information may also be
furnished whether H.B. & M.C advances
are now being granted on the security
of the Insurance bonus and whether
the question of recovery raised here
relates only to cases in which such security
has been taken. Fin Br)

Extract from the Proceedings of the meeting of the Mysore State Life Insurance Committee held on Saturday the 29th July 33.

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x x x x x x x x x

Resolution No.IV.

IV. Adjustment of House Building or other advances due from the deceased Insured out of the Insurance bonus amount immediately after death is reported and the likely heir makes a request for it.

Resolved that House Building and other advances due from deceased Insured be adjusted out of the amount of the Insurance bonus immediately after death is definitely reported to the Insurance Office.

x x x x x x x x

for Deputy Secretary,
Insurance Committee.

HN 23/8/33

Serial No.

G. 7 file 81-30 (1-2) referred to supra is placed below as required.

A | H.B. or motor car advances are not being given on the security of Life Insured Bonus.-

W 3/10 Law Dept.)

I wish to see the file in which 'A' has been decided.

Fin Br) MG 4/10/33

B | There is no decision or order to this effect. But hitherto Life Insurance Bonuses have not been taken as security.

W 10/10 Law

H Secy) 10/10/33

A.S. 11.10.33

11.10.33.

Law Secy

In view of what is stated at A & B above, the question raised in para 2 does not arise.

Fin Br) MG 24/10

Subd to the Hc: Secy -

The rule as originally framed was to permit adjustment of govt dues on account of House Building & Motor advances only after a request for payment arose. The present Resolution of the Committee is to adjust it immediately death is reported. This is obviously

NOTE—Contn. Sheet.

2281 of 33

752-71

File No. of 193

General and Revenue Secretariat

desigued to save the heir from loss on account of interest payable should considerable time elapse before claim is preferred. The point is whether without a formal acquittance or claim from the heir, the assets of the deceased could be adjusted in the manner proposed when the ~~amount~~ is not permitted to be hypothecated for such advances to permit an over-riding lien.

~~Submitted~~ to the Law Secy for further remarks

And)
27.6.33

Please also see G. ~~71~~ 77-08 (3-4) placed below

~~The intention of the legislature in enacting~~ Section 60(1) under clause (b) of proviso (a) to Subsec (1) of sec 60 of the C.P. code, as amended by Reg XII of 1925, the whole of the insurance amount payable or paid on account of policies in the official Branch effected prior to 8th Oct 1925 and in other cases, such amount as is payable or paid on account of the compulsory premia, are not attachable or saleable in execution of decrees relating to a debt due or contracted by an officer.

The intention is clearly not to make this amount liable for debts due or contracted by the officer. Adjustment of such amounts for arrears due on account of House building or other advances

7 no 2946.

General and Revenue Secretariat | File No. 75/V 16677 of 193 | [App. F. III—2

Serial No.

against deduction, Govt are not going to give up their claim. If at all, this rule 23 which has to be abrogated. Or, as long as it is retained, it does not & cannot matter whether the deduction is made either before or after a claim is filed. May be forwarded to the Secy A/c. for Remarks.

30/X

It is clear that there is a conflict on the question, between a Statutory provision and a rule of government. This has been recognised in the office notes in file no q-7 81 of 1930. Such a conflict should not exist and between the two, the rule must give way to the Statute.

31.10.33.

A. Yes.

1.11.33

1.11.33.

Forwarded with compliments to the Secy Insurance Committee for Remarks.

By order

for Financial Secretary

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

Returned with Compliments.

The resolution of the committee which has been submitted for orders of Govt refers to the manner in which a rule is being worked now and proposes to alter this manner of working so as to reduce loss to the heirs of an insured person.

If this proposal cannot be sanctioned the rule will be worked in the present manner.

Memo 9256 dt 21/11/33

If the legality of the rule is to be examined, the matter may be kindly referred separately to the committee. It will then be discussed in the committee and their opinion forwarded

M. Venkatesalu Aiyangar
14-11-33 Secretary MSL

I would like to discuss this with the Secy & Law
22-11-33

22/11/33.

Discussed with the ~~Secy~~ Fin Secy.

He says that there is no intention now of questioning the legality or otherwise of rule 23 enabling Govt dues to be adjusted out of the insurance amount. Assuming that Govt have power to make such adjustments, the question is whether

FINANCE DEPARTMENT
22 NOV 1933
No.

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Serial No.

it cannot be made as soon as the policy matures - Once it is granted that the adjustment does not require the consent, express or implied, of the policy-holder or the person entitled to the amount due under the policy, there can be only one answer to the question and that is that the adjustment can be made at any time after the policy matures and therefore as soon as death is reported.

I do not however think that in all cases such an adjustment would be in the interests of the person entitled to the amount under the policy. An officer may nominate his wife to the policy but the debt due to Govt on account of a M.B. advance may have to be payable out of the assets in the hands of his sons - the nominee ie the wife in such cases is certainly not liable to discharge the debt or to pay the interest on it and any adjustment made will only mean that she will be forced to a Court of law to proceed against the Sons for the money so adjusted. If ~~and the~~ however ~~adj~~ in such cases the adjustment is postponed, the fact that interest may accumulate on the debt may induce the Sons to pay ~~them~~ it off early - It is thus clear that the proposed rule may be unobjectionable if the person entitled to the money due under the policy is the same as the person liable to discharge the debt. ~~otherwise~~ In other cases, it is neither advantageous to Government, nor

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

File No. 3924/H of 193 . | General and Revenue Secretariat

to the party entitled to the bonus.

Fin Secy) 15/12/33

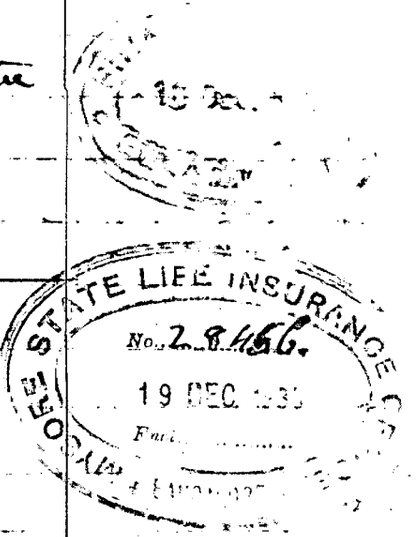
To the Secretary Life Insurance Committee for consideration of the above note and forwarding the further views of the Committee in the light of the above.

S. Ramanna 18/12

19.12.33.

Q.No. H 118 dt. 19.12.33.

144 Law

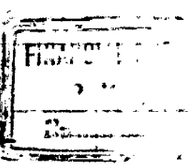


21304/34 file 15/12/33

Returned with compliments. The Committee are of opinion that in view of the practical difficulties in the matter, the existing procedure may continue (vide copy of Resolution No.III[x] of the Insurance Committee passed at their meeting held on 28-4-34, sent separately in this office No.21014 dated 8-5-34).

G. Kasava Rao
For Secretary,
Insurance Committee.

DS 11/5/34



H-2

Submitted with a copy of the resolution[x]

H: Secy) 21.5

As the recommendation of the Insurance Committee is thus withdrawn the matter may be dropped. A letter may be sent to the Insurance Committee with reference to the original communication that in view of the present reply and the new resolution of the Committee the matter is regarded as dropped. 21/8/34

3

General and Revenue Secretariat | File No. 3524/12 of 193 . | [App. F. III—2

Serial No.

Draft submitted for orders

8/8

Issue
No. 618134.
Rs 1490 of 1078

NOTE—Contn. Sheet.

WD 0153 GPB—7,500—5-4-34

Appendix F G—1]

SUBJECT .....

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Section G. 7

File No. ~~39-35~~ 458-33

Serial No. 2

Diary No. of letter replied to .....

No. Jc 1490

To The Secy. M.S.L.D. committee

Sir,

General and Revenue Secretariat

( )

the *193*

With reference to your letter No. 33218/23/25-8-1933 regarding the adjustment of A.B or other advances due to Govt. by deceased Insured from the Insurance amount due on his policies ~~upon his death~~ I am directed to state that in view of the G.O. ~~note~~ No 21304 dt 12-5-34 and the new resolution of the committee in the question contained in the matter is regarded as closed.

Date of issue 10/8/34

Signed by M' Jus

I have &c

618/34

For H. Secy

List of enclosures .....

Copied by .....

Examined by .....

4/8